

BUREAU OF BUDGET AND MANAGEMENT RESEARCH

CITIZEN CENTRIC REPORT

FISCAL YEAR 2021

THE HONORABLE
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MISSION STATEMENT

The Bureau of Budget and Management Research is responsible for developing, implementing, monitoring, and managing the Executive Branch budget for all line agencies of the Government of Guam, as well as providing advisory guidance to the Governor on policy development, fiscal impact, program coordination, and planning and budgeting matters.

VISION STATEMENT

The Bureau of Budget and Management Research aims to provide guidelines on organizational methods, policy, execution, financial management and technical assistance to the various agencies and departments within the Government of Guam. BBMR's goal is to improve the planning, programming, and budgeting abilities of the government.

To ensure that all budgetary and control systems are operated in accordance with all local and federal policies, procedures, mandates, and laws, BBMR uses extensive research and planning methodologies for all aspects of the Government of Guam's operations. Additionally, BBMR provides advisory guidance to the Governor on policy development, fiscal impact, program coordination, and planning and budgeting matters.

STRATEGIC GOALS

- ◆ Provide guidance and direction to all government agencies on programmatic and budgetary matters.
- ◆ Provide the Governor and Legislature with information and support to effectuate and facilitate policy deliberations and decisions.
- ◆ Implement the Governor's programmatic and fiscal policies.
- ◆ Review and implement legislative mandates affecting budgetary and fiscal policies government-wide.
- ◆ Conduct ongoing review and evaluation of financial and operational controls of the Government.

STAFF COMPOSITION

	FY 2019	FY2020	FY2021
Director	1	1	1
B&M Supervisors	3	3	4
B&M Analysts	12	9	8
Administration	3	3	3

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WHERE IT ALL STARTS: THE BUDGET CALL

BUREAU OF BUDGET AND MANAGEMENT RESEARCH
FY 2021 CITIZEN CENTRIC REPORT

Every fiscal year, the Government of Guam operates using revenue appropriated through that fiscal year's Budget Act. The Budget Act is what authorizes the entire government to spend money from the General Fund and several different Special Funds. But where does this process start?

The Budget Call is a memorandum that is sent out by BBMR between the months of November and December to initiate what is called the Budget Process. It is through the Budget Call that several actions are set in motion.

After this document is disseminated, departments have until the end of December to submit their "Wish List" budgets. BBMR reviews each "Wish List" budget and then creates a budget ceiling. The budget ceiling is determined using revenue projections produced by BBMR. From this revenue estimate, the Governor divides it out to determine departmental budget ceilings. These are used to compile the Governor's Executive Budget Request. The Governor's Executive Budget is then submitted to the Legislature by January 31 of each fiscal year



DIGGING A BIT DEEPER

While at its base the Budget Call is a "call for budgets", it is also a way to standardize the format and the methodology of budgets across all line agencies. How is this done? Well, apart from standard budget forms (e.g., budget digests and staffing patterns) the Budget Call also contains guidelines, both general and fiscal year specific, for departments to follow while preparing their budgets. Some examples are as follows:

- ◆ All personnel service costs, utilities, and fixed costs must be fully covered as a priority.
- ◆ Personnel service costs should be for currently filled positions and for recruitments in progress.
- ◆ Budgeting overtime must be justified.
- ◆ All anticipated travel must be justified.

All budget submissions should be presented at maintenance levels, exercising budgetary and fiscal discipline while maintaining critical service needs. The final guideline listed might raise the question, "But departments submit 'wish lists', why then is it stated that budgets should be at maintenance level?" The key to this guideline is the phrase "critical service needs". This is the opportunity for a department to show what the requirements are to run at maximum efficiency. If what a department currently has is not enough, then the "wish list" is a way to get the conversation started on what is "enough".

SO ARE WE DONE NOW?

Not quite. Once January 31st has passed and the Governor's Executive Budget Request has been submitted to the Legislature, the work continues. After all, the Governor's Executive Budget is a high level budget request that presents revenue projections, presents line agency programs, estimates federal funding, and proposes budget ceilings for each department.

Hold on, but the department sent in their "wish list" what more do they need?" Remember the budget ceilings earlier? All "wish lists" are then reworked into departmental budgets made within the Governor's ceilings. These departmental budgets are due to the Legislature by mid-March.

The Legislature then has until August 31st to pass a Budget Act which the Governor then has 10 days to review before the bill passes into law.

Only once these steps are complete do we have the final product of a Government of Guam budget. It is this Budget Act that BBMR and departments use as a guide for ensuring that all operational, personnel, and service requirements are met throughout the fiscal year while still complying with the law.

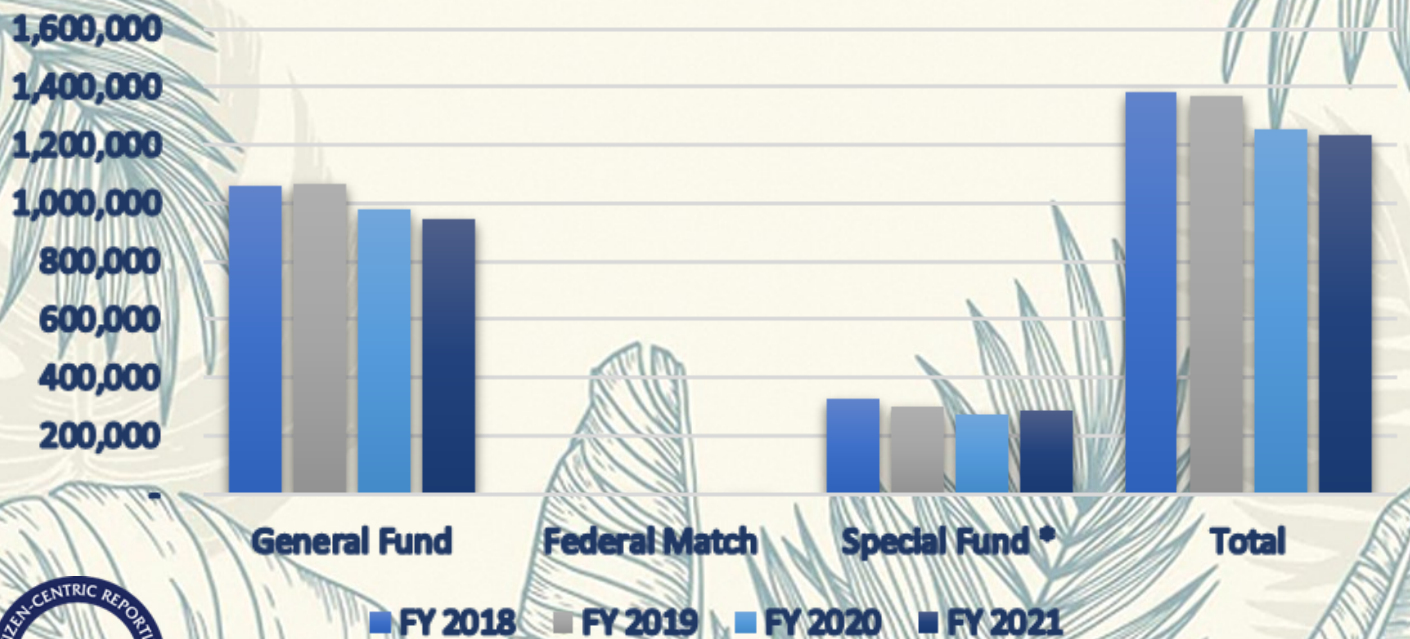
BBMR FINANCIALS

WORKLOAD OUTPUT

WORKLOAD INDICATOR	FY 2019 LEVEL OF ACCOMPLISHMENT	FY 2020 LEVEL OF ACCOMPLISHMENT	FY 2021 LEVEL OF ACCOMPLISHMENT
1) COORDINATE THE PREPARATION OF THE PROGRAM AND FINANCIAL PLAN OF THE EXECUTIVE BRANCH AND SUBMISSION OF SUCH PLANS TO THE LEGISLATURE	1	1	1
2) FISCAL POLICY COMMITTEE MEETINGS	52	52	52
3) CABINET MEETINGS	24	24	24
4) REVIEW OF LEGISLATION AND PROVIDE COMMENTS ON PROPOSALS (FN, LRC)	248	202	224
5) REVIEW OF DEPARTMENT REQUESTS SUCH AS CON-TRACTS, GG1s, TRAVELS AUTHORIZATIONS, MODIFICATIONS, ETC.	9,336	8,864	9,170
6) INDIRECT COST NEGOTIATION	1	1	1
7) ANNUAL CIP REQUEST TO DOI	1	1	1

AN INDEPENDENT AUDIT OF THE GOVERNMENT OF GUAM WIDE FINANCIAL STATEMENTS FOR FISCAL YEAR 2021 WAS CONDUCTED, RESULTING IN AN UNMODIFIED, "CLEAN" AUDIT OPINION. THE AUDITED FINANCIAL REPORT CAN BE LOCATED AT WWW.OPAGUAM.ORG.

FY2018-FY2021 BBMR EXPENDITURES + ENCUMBRANCES



*Indirect Cost Fund

CHALLENGES AND FUTURE OUTLOOK

The BBMR continues to improve its delivery of services in terms of providing quicker publication times of website content and its efforts to provide for staff training in website maintenance and troubleshooting. The goal is to achieve government transparency and improve upon the public's trust for the Administration.

With the COVID-19 pandemic policies and measures continuing into FY2021, the Bureau had continued the requirement of all government departments/agencies to submit all incoming documents electronically for processing, thereby reducing public contact. The BBMR intends to continue this protocol until the end of the pandemic.

Federal government expenditures continue to represent the largest single source of funds flowing to Guam, largely due to the COVID-19 pandemic. The BBMR continues to work collaboratively with the Department of Administration (DOA) and recipient departments on managing direct aid from the federal government under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, and the American Rescue Plan (ARP) Act. This includes the allocation of \$117M under the CARES Coronavirus Relief Fund Program and an additional \$553M under the ARP Coronavirus State Fiscal Recovery Fund.

The BBMR continues to face the challenge of rebuilding its cadre of Analyst due to attrition, primarily through the retirement of senior personnel and supervisors. The BBMR also faces another struggle in retention and departure of its professional staff to local Autonomous agencies and the Federal government due to higher salaries offered at these entities.

Since FY2020 and into FY2021, the BBMR had experience problems in the retrieval of reliable data from the current Financial Management System (FMIS) and looks forward to a new Financial Management System being purchased for the government of Guam. The DOA is currently in negotiation with a prospective vendor. This new FMIS will greatly improve the budget and accounting of government funds and provide reliable data and financial reports.

2021 ISLAND WIDE BEAUTIFICATION CLEAN UP

Despite the ongoing COVID-19 pandemic, the Bureau participated in the Island Wide Beautification Cleanup coordinated by the Office of the Lieutenant Governor's Island Wide Beautification Task Force.



FAREWELL & BEST WISHES

Thank you to Leticia Bato, Isaiah Ware, Jonathan Sablan and Jose Cruz, Jr. for your time and service. Good luck on your future endeavors from the BBMR Team!



WE WANT TO HEAR FROM YOU!

What are your thoughts on this report? Would you like to see other information included?

Please let us know by contacting our office at (671) 475-9107.

Connect: <http://www.bbmr.guam.gov>

